



**COMMUNITY DEVELOPMENT COMMISSION  
of the County of Los Angeles**

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**Sean Rogan**  
Executive Director

May 26, 2015

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**HEARING TO APPROVE THE FISCAL YEAR 2015-2016 ACTION PLAN FOR THE  
ALLOCATION OF FEDERAL FUNDS  
(ALL DISTRICTS) (3 VOTE)**

**SUBJECT**

This letter recommends approval of the one-year Action Plan for the Los Angeles Urban County to enable the County of Los Angeles to apply for, receive and administer Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) program funds from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities in the 47 participating cities and the unincorporated areas of the Los Angeles Urban County. This letter relates to two other items appearing on today's agenda for the Board of Commissioners of the Community Development Commission of the County of Los Angeles (Commission) and the Board of Commissioners of the Housing Authority of the County of Los Angeles (Housing Authority).

**IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:**

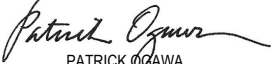
1. Find that the approval of the Action Plan is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Approve the Action Plan for Fiscal Year (FY) 2015-2016 (Action Plan), which will enable the Los Angeles Urban County Program to receive and administer a total of \$42,924,400, comprised of the following: \$20,619,939 in 41<sup>st</sup> Program Year (July 1, 2015 to June 30, 2016) CDBG funds; \$229,244 in FY 2015-2016 CDBG funds received as a joint applicant with the City of Cerritos and \$860,853 received as a joint applicant with the City of Torrance; \$10,743,308 in CDBG funds from

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#6

May 26, 2015

  
PATRICK O'QUINN  
ACTING EXECUTIVE OFFICER

prior fiscal years; \$2,600,000 in estimated future CDBG Program income; \$5,991,660 in FY 2015-2016 HOME Program funds; and \$1,879,396 in FY 2015-2016 ESG funds.

3. Designate the Commission to serve as the agent of the County for administration of the Action Plan and the allocated funds described herein; and authorize the transfer of these allocated funds to the Commission.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Consolidated Plan is a five-year strategy for the County of Los Angeles to expend CDBG, HOME, and ESG funds. The Action Plan is a component of the Consolidated Plan that defines projects and programs to be implemented with these funds over a one-year period. Following approval by the Board, the Action Plan must be submitted to HUD by June 1, 2015.

The National Affordable Housing Act (NAHA) of 1990 (Cranston/Gonzalez Housing Act), as amended in 1992, requires that the County provide a single, consolidated submission of the proposed expenditure of funds to be eligible for the HUD formula grant funding, including CDBG, HOME, and ESG. The Action Plan satisfies these federal requirements to provide for the release of these allocated funds.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund.

All funds allocated in the Action Plan will be transferred to the Commission for administration. The Action Plan, a total of \$42,924,400, is comprised of the following: \$20,619,939 in 41<sup>st</sup> Program Year (July 1, 2015 to June 30, 2016) CDBG funds; \$229,244 in FY 2015-2016 CDBG funds received as a joint applicant with the City of Cerritos and \$860,853 received as a joint applicant with the City of Torrance; \$10,743,308 in CDBG funds from prior fiscal years; \$2,600,000 in estimated future CDBG Program income; \$5,991,660 in FY 2015-2016 HOME Program funds; and \$1,879,396 in FY 2015-2016 ESG funds.

Prior year CDBG funds are either committed to projects continuing into the new fiscal year or are committed to new fiscal year projects. HUD regulations allow three years to expend CDBG funds because of time required to plan, commit, and implement projects; the Los Angeles Urban County Program typically expends prior year funds within two years.

The Commission will administer the CDBG Revolving Grant Fund, comprised of prior year funding reallocated by participating cities; and the authority to sign agreements with cities that would utilize such funds for specific CDBG-eligible activities upon application by jurisdictions that participate in the Los Angeles Urban County program,

following County Counsel approval. The funds withdrawn from the pool would be repaid with future CDBG funds allocated to the participating city that utilized funds from the pool.

CDBG funds total \$35,053,344 and are comprised of new, reallocated, prior years', and CDBG Program income funds, of which \$4,653,368 will be used for administration. A total of \$8,813,279 in CDBG funds will be allocated among the five Supervisorial Districts for projects in the unincorporated areas of the County. Of the funds allocated by Supervisorial Districts, \$1,581,200, comprised of \$841,200 in new FY 2015-2016 funds and \$740,000 in prior year CDBG funds, will be distributed to the Housing Authority for four new projects and eight continuing projects for residents of public housing. A total of \$12,270,398 in CDBG funds will be allocated among the 47 participating cities. Projects to address housing and community needs will be implemented by the Commission, the Housing Authority, and the Los Angeles County Departments of Regional Planning, Parks and Recreation, Consumer Affairs, and Public Works, the Los Angeles County Public Library, Sheriff's Department (collectively, County Departments), and 28 community-based organizations and other public agencies, such as school districts.

The CDBG Reimbursable Contract with the City of Bell Gardens, currently a repaying Section 108 loan, will be amended to reduce its allocation of FY 2015-2016 CDBG funds by \$574,492 in order to set aside the annual repayment amount that is due under a separate Section 108 loan agreement. Additionally, \$200,605 will be subtracted from the Fifth Supervisorial District's FY 2015-2016 allocation to set aside the Section 108 loan annual repayment amount for the unincorporated West Altadena supermarket site assembly; and a total of \$496,500 will be subtracted from the Second Supervisorial District's FY 2015-2016 allocation to set aside the Section 108 loan repayment for the unincorporated Florence Parking Lot and La Alameda Shopping Center projects.

HOME funds total \$5,991,660, of which \$599,166 will be used for HOME Program administration, as determined by HUD. The First-Time Home Ownership Program will use \$2,696,247 in FY 2015-2016 HOME funds to provide homeownership opportunities in the unincorporated areas of the County and participating cities. Housing development is allocated \$898,749, and new construction \$1,797,498. HOME funds may be reprogrammed based on homeownership or development needs.

ESG funds total an estimated \$1,879,396. These funds will be allocated to Los Angeles Homeless Services Authority (LAHSA) for projects to assist the homeless in the unincorporated areas of the County of Los Angeles and participating cities. LAHSA will conduct a Request for Proposals (RFP) process to award these funds.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The FY 2014-2015 Action Plan ends on June 30, 2015, and a new plan must be adopted by your Board to continue receiving funding from HUD. The new Action Plan includes a description of the activities to be undertaken during FY 2015-2016 to address

the objectives identified in the 2013-2018 Consolidated Plan's five-year strategy.

Standard CDBG Advance or Reimbursable Contracts will be entered into with recipients of CDBG funds.

All public notice requirements contained in 24 Code of Federal Regulations Part 91 Section 91.105 of the NAHA for approval of the Action Plan have been satisfied. A total of five community meetings were held in September 2014. Comments received at these meetings have been incorporated into the Action Plan and the documents were posted on the Commission website in late April 2015 to update the public regarding the comments received earlier at the meetings. Notices of the 30-day public comment period and public hearing were published in newspapers in various languages throughout the County and copies of the draft Action Plan were made available for review at public libraries. The public comment period will conclude on May 26, 2015.

The Action Plan is attached to this Board letter. The following documents are also attached: CDBG Program 41<sup>st</sup> Year Grant (July 1, 2015-June 30, 2016) Funding Summary; FY 2015-2016 HOME Grant Reservations and Set-Asides; and Proposed Use of ESG Funds. These items appear as Attachments A through C, respectively.

All of the projects proposed in the Action Plan are being federally-funded. As applicable, the administering agencies will be subject to the prevailing wage requirements of the Davis-Bacon Act and its related Acts, and Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance. However, where Section 3 is not applicable, the agencies will be subject to the County's Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program, which furthers the same or similar goals.

This letter has been reviewed by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

The Action Plan is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(1), because it is a planning document and does not involve activities that will alter existing environmental conditions. The Action Plan is not subject to the provisions of CEQA, pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Each program within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

### **CONTRACTING PROCESS**

The County does not use a competitive process to award CDBG contracts to non-profit agencies. Each Supervisorial District utilizes the Community Resources Investment Strategy, citizen input from community meetings, and consultations with the Commission to select agencies that best meet community needs.

HOME funds are used to implement a variety of affordable housing development available to households earning less than 80% of the area median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as determined by HUD. HOME funds for development are made available on an annual basis through a competitive Notice of Funds Availability. Funds are made available to for-profit and non-profit developers. Projects are selected to maximize the impacts of HOME funds based on viability, financial feasibility, and appropriateness to geographic location and community need. Funds are also made available on a first-come, first-served basis to income-qualified buyers for the purchase of existing housing.

ESG funds are allocated to LAHSA. LAHSA contracts with non-profit and government agencies in order to provide housing and services for homeless individuals and families through an RFP process that solicits proposals for new and continuing projects.

### **IMPACT ON CURRENT PROJECTS**

The projects contained in the Action Plan will benefit low- and moderate-income residents of the unincorporated County and participating cities.

Respectfully submitted,



SEAN ROGAN  
Executive Director

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Enclosures